Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of Service Rules for the 746-764 and 776-794 MHz Bands, and Revisions to Part 27 of the Commission's Rules	WT Docket No. 99-168

REPLY COMMENTS OF SBC COMMUNICATIONS, INC.

I. INTRODUCTION

SBC Communications, Inc., on behalf of its affiliates,[1] ("SBC"), hereby comments on selected issues raised in the Comments in the above-captioned proceeding related to the new services rules for commercial licensing in the 746-764 and 776-794 MHz bands.

II NO NEW BROADCASTING USES SHOULD BE LICENSED IN THESE BANDS.

Although SBC supported flexible use of the 746-764 and 776-794 MHz bands in the Comments, SBC agrees with those commenters who advocate that no new broadcasting uses should be licensed in these bands.[2] There is not enough spectrum in these

[1] SBC Communications, Inc. ("SBC") is the parent/holding company of various subsidiaries conducting business under federal licenses. These subsidiaries include Southwestern Bell Telephone Company ("SWBT"), Pacific Bell, Nevada Bell, Southern New England Telephone Company and various wireless carriers including Southwestern Bell Mobile Systems, Inc. ("SBMS"), Southwestern Bell Wireless Inc. ("SWBW") and Pacific Bell Mobile Services ("PBMS"). The abbreviation "SBC" shall be used herein to include each of these subsidiaries as appropriate in the context.

[2] Airtouch, p. 16; American Mobile Telecommunications Association, Inc., p.12; Intek Global Corp., p. 5; Motorola, p. 8; Rural Telecommunications Group, p. 10; US West, p. 6.

bands to accommodate a high power omnidirectional service and a low power two-way mobile service. Interference is inevitable and will effectively limit the mobile use of these bands. As it is now, the existing broadcasters who will be moving out of the band will create interference issues for several years for the new licensees, but at least those bidding on the spectrum know where these licensees are and that they will eventually leave. However, if new broadcast uses are allowed, bidders will have no idea what type of interference issues they may encounter which will depress the value of the spectrum.

The Commission's authority to provide flexibility of use is limited to those situations in which such allocation would be in the public interest; such use would not deter investment in communications services and systems, or technology development; and such use would not result in harmful interference among users.[3] These three requirements cannot be met, if new broadcasting uses are included in these bands.

III. THERE SHOULD NOT BE A SET-ASIDE OF SPECTRUM FOR PRIVATE LAND MOBILE USES.

Several commenters have recommended that a portion of the spectrum be specifically allocated for private wireless services.[4] However, Section 337(a)(2) of the Communications Act of 1934, as amended, requires that 36 MHz of spectrum between 746-806 MHz be allocated for commercial use to be assigned by competitive bidding.[5] Even ITA which supports a specific allocation for private wireless service acknowledges that "[u]nfortunately, absent an amendment to the Communications Act of 1934, as amended, it

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[3] 47 U.S.C. § 303(y)(2).

[4] Association of Public Safety Communications Officials International, Inc. ("APCO"), p. 5; ITA, p. 12; MRFAC, p. 4; Personal Communications Industry Association, Inc. ("PCIA"), p. 4; United Telecom Council, p. 2.

[5] 47 U.S.C. § 337(a)(2) (emphasis added).

appears that the 746-806 MHz band may not be available for use by the private wireless industry through the traditional spectrum allocation processes."[6]

Motorola argues that "[t]hough services requiring electromagnetic spectrum are not the primary businesses for the end users of PMRS spectrum, they unquestionably use the spectrum in support of commerce."[7] Under that approach virtually all private use could be converted into commercial use. Moreover, Part 20 of the Commission's Rules draws a clear distinction between private and commercial mobile services.[8]

Congress was very explicit that the 36 MHz of spectrum between 746 MHz and 806 MHz be allocated for commercial use. To set aside a portion of the 36 MHz for private wireless use would be contrary to the explicit language of the statute.

IV. THERE SHOULD NOT BE NATIONAL LICENSES.

AirTouch and US West supported national licenses.[9] SBC strongly opposes national licenses. As stated in the Comments, SBC supports service territories that match existing Metropolitan Statistical Areas and Rural Service Areas for cellular service.[10] As the Rural Telecommunications Group ("RTG") explained at length, smaller service territories offer a much greater opportunity for small entities with localized interests to participate successfully in the auction process.[11] At the same time, smaller service areas do not penalize larger entities. Furthermore, as SBC noted in its Comments, use of existing cellular service

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[6] Id. at p. 7.

[7] Motorola, p. 13.

[8] 47 CFR § 20.7 and 20.8.

[9] Airtouch, p. 18; US West, p. 2.

[10] SBC, p. 3, see 47 CFR § 22.909.

[11] RTG, p. 5.

territories will promote the use of existing tower facilities which is a benefit to both the public and licensees.[12]

V. THE SPECTRUM MUST BE PAIRED.

Although there is much support in the comments for paired spectrum, ArrayComm advocates the 746-764 and 776-794 MHz frequencies be licensed as unpaired frequencies.[13] ArrayComm cites to a new class of wireless access technologies based on time-division duplex ("TDD") techniques which carries transmit and receive traffic on the same radio frequency in an unpaired frequency band.[14] While TDD technologies can operate on an unpaired basis, they can also operate equally well on paired frequencies. Moreover, there are many wireless technologies that use frequency division duplex ("FDD") that required paired frequencies. If the Commission were to license this spectrum on an unpaired basis, it would effectively eliminate many potential licensees and it would defeat its goal of flexible use. To ensure the greatest number of commercial wireless uses of this spectrum, the Commission should license this spectrum in 18 MHz blocks, each of which is divided in 9 MHz pairs.

VI. PARITY MUST EXIST AMONG USERS

Some of the commenters seek special protection for their existing and future services in bands adjacent to the 746-764 and 776-794 MHz frequencies.[15] The Association of Public-Safety Communications Officials ("APO") requests that the Commission limit the types and nature of non-broadcast commercial mobile radio operations on adjacent channels

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[12] SBC, p. 3.

[13] ArrayComm, p. 5.

[14] Id. at pp. 5-6.

[15] APCO, p. 3; Motorola, p. 16; U.S. GPS Industry Council, p. 8.

and/or provide a sufficient guard band within the commercial spectrum to prevent interference with public safety systems.[16] APCO states that adjacent channel systems must be compatible with similar ERP, antenna location, and adjacent channel coupled power.[17] APCO further states that "[t]he rules must be based on the assumption that the immediately adjacent public safety spectrum is fully occupied and operated at maximum power and antenna heights from a virtually co-located site."[18] The Commission must reject this attempt to create a "super user" with superior rights to adjacent licensees. Acceding to APCO's request would severely diminish the ability of CMRS providers to offer advanced wireless systems to the public. Moreover, the out-of-band emission limits proposed by the Commission[19] has provided workable interference limits for a number of bands and should be accepted for the 700 MHz band.

In a similar vein, Motorola recommends that the concept of adjacent channel coupled power ("ACCP") be the basis for all out-of-band emission specifications in the 746-806 MHz band.[20] This could pose severe restrictions on the new licensees. Again, there is no need to depart from the out-of-band emission limits proposed by the Commission.

Finally, there is a concern about interference to the Global Navigation Satellite Systems. The U. S. GPS Industry Council states that the only out-of-band emission level that can safely be adopted for emitters in the 776-794 MHz band that are under

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[16] APCO, p. 3.

[17] Id.

[18] Id. at p. 4.

[19] Notice of Proposed Rulemaking, para. 69 (the less of 43 + 10log (P) or 80 decibels assuming not high power broadcast use).

[20] Motorola, p. 15.

consideration in this rulemaking is -100 dBW/MHz.[21] This is significantly more restrictive than the NTIA proposal that the Commission cited in the Notice of Proposed Rulemaking.[22] SBC notes that the Commission is concerned that even the NTIA proposal would severely curtail the availability of the 36 MHz of spectrum designated by Congress for commercial use.[23] We share that concern and urge the Commission to carefully study this issue.

The Commission must ensure that the 746-764 and 776-794 MHz bands are not burdened with restrictions based on adjacent channel use, that give superior rights to adjacent channel users. All licensees must be treated fairly and equally.

VII. A PROCESS MUST BE ESTABLISHED TO ENSURE THAT THE OPERATIONS OF PRIMARY USERS ARE NOT ENCUMBERED BY SECONDARY USERS IN THE 746-764 AND 776-794 MHz BAND.

The National Translator Association requests that the Commission make it completely clear that a successful bidder may not force a translator in his area to shut down until the new facilities authorized to him are put into operation and actual interference occurs.[24] SBC believes that a primary user should be able to request the immediate termination of secondary operations to support testing as well as deployment. The secondary activities should be terminated within 24 hours of the request. The Commission should put in place a process for such requests so that it is clear to secondary users what steps and what time frame they must follow to ensure that the primary use of the spectrum is not impaired.

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[21] U. S. GPS Industry Council, p. 8.

[22] NPRM, para. 75 (out-of-board emission to be limited to –70 dBW/MHz.equivalent isotropically radiated power for wideband emissions).

[23] NPRM, para. 77.

[24] National Translator Association, p. 2.

VIII. BUILD-OUT REQUIREMENTS SHOULD BE WAIVED WHILE AN INCUMBENT REMAINS IN THE BAND.

AirTouch notes that it may be difficult for new licensees to meet performance requirements in those areas where an incumbent broadcast licensee operates in a major metropolitan are or is otherwise eligible to remain in the spectrum beyond the December 31, 2006 transition. For this reason, AirTouch requests that the Commission waive on a case-by-case basis the build-out requirements where incumbent broadcast operations make compliance untenable. SBC strongly supports this request since there will be parts of the spectrum in which incumbent operations prevent build-out for some period of time.

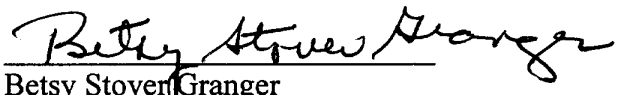
IX. CONCLUSION

The 746-764 and 776-794 MHz bands offer frequencies that would be very useful for third generation wireless services. However, new broadcast uses would create interference issues that severely limit the usefulness of this spectrum for wireless services. The Commission should not allow new broadcast uses in these bands. In addition, the statute is very explicit that 36 MHz be available for commercial use. Therefore, there is no basis for setting aside a portion of the spectrum for private wireless use. Licenses should be awarded in two blocks of 18 MHz, each consisting of 9 MHz pairs with service areas that match the existing cellular service areas. Finally, the Commission should ensure that it does not adopt rules that give adjacent channel users superior rights which impose restrictions and burdens on licensees in the 746-764 and 776-794 MHz bands that are not imposed on other licensees.

SIGNATURE PAGE FOLLOWS

Respectfully submitted,

SBC Communications, Inc.



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August 13, 1999